

ATTACHMENT 7. DISADVANTAGED COMMUNITIES

Table 1 shows the population of each district that resides in census tracts with CES 2.0 percentiles of at least 76%. The table shows that 78% of the combined population of the district lives in such a census tract.

Table 1. Population Residing in Qualifying DAC Census Tracts

| Total Population | Population in Census Tracts ≥76th Percentile | Percent |
|-------------------------|---|----------------|
| 240,384 | 188,346 | 78% |

Benefits to DACs

Bakersfield District customers benefit from the reductions in the costs of water production and imported water purchases due to the reduction in demand caused by the program. Those benefits continue over the life of the installed fixtures. The bulk of those benefits will accrue to program participants in the form of bill reductions due to lower usage.

Table 2 shows the present value of these benefits across all Bakersfield district customers, based on the avoided costs projected in Cal Water’s most recent General Rate Case filing. It also shows the share of these benefits that will accrue to customers residing in the DAC-qualifying census tracts, assuming that these benefits are distributed equally across all tracts. It should be noted, however that, as described in Attachment 3 (Work Plan), Cal Water will make particular efforts to market the program to low income customers. This will increase the DAC share of the benefits above what is shown in Table 2. In any event, the share of benefits that is received by the DAC-qualifying census tracts exceeds 75%.

Table 2. Reductions in Purchases of Imported Water due to the Project

| Present Value Reduction in Import Purchases | DAC Share | Percent |
|--|------------------|----------------|
| \$476,285 | \$373,180 | 78% |

In addition, program participants see reduced energy bills due to the decrease in the volume of water that must be heated for showers and faucets. Table 3 shows the present value of those participant energy bill savings.¹

¹ The figures assume gas water heating, which is the predominant water-heating type in California.

Table 3. Annual Energy Bill Savings for Participants in Bathroom Fixture Replacement Program

| Present Value Reduction in Annual Energy Bill | DAC Share | Percent |
|--|------------------|----------------|
| \$365,810 | \$286,620 | 78% |

Table 4 shows the total present value of DAC economic benefits assuming that these benefits are distributed equally across all census tracts. These should be considered lower bounds on the DAC benefits that will ultimately accrue.

Table 4. Present Value of Economic Benefits to Disadvantaged Communities

| Water | Energy | Total |
|--------------|---------------|--------------|
| \$373,180 | \$286,620 | \$659,799 |